

NEWS RELEASE



***OFFICE OF THE UNITED STATES ATTORNEY
SOUTHERN DISTRICT OF CALIFORNIA
San Diego, California***

***United States Attorney
Carol C. Lam***

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For Immediate Release

**ATTORNEY AND FINANCIAL OFFICER CHARGED
IN SCHEME TO DEFRAUD CLIENTS AND FINANCIAL INSTITUTIONS**

NEWS RELEASE SUMMARY - June 15, 2006

United States Attorney Carol C. Lam announced today the unsealing of a criminal indictment in federal court in San Diego, charging attorney Michael Robert Suverkrubbe, formerly a criminal investigator with the Internal Revenue Service, and Wendy Lee Hixson with one count of Conspiracy, three counts of Mail Fraud, five counts of Wire Fraud, two counts of Bank Fraud, one count of Credit Card Fraud, and eleven counts of Money Laundering, all arising from their participation in a scheme to defraud clients of Suverkrubbe's law firm and two federally-insured financial institutions.

According to Assistant United States Attorney Faith Devine, who is prosecuting the case, the indictment alleges that prior to July 2004, Suverkrubbe and Hixson were associated with xélan, Inc. (The Economic Association of Healthcare Professionals), a financial and tax planning firm that specialized in "tax

strategies” for its members. After July 2004, Suverkrubbe severed his relationship with xélan, formed his own law firm, and hired Hixson to be his Chief Financial Officer.

The indictment charges Suverkrubbe and Hixson with a scheme to defraud former xélan clients and financial institutions in the following four ways. First, Suverkrubbe and Hixson made false and misleading representations concerning distributions the clients would be receiving from Doctors Benefit Insurance Company (“DBIC”), a xélan affiliated entity. Specifically, as charged in the indictment, Suverkrubbe and Hixson falsely represented that 8% of the clients’ distributions were required by law to be placed in an Interest on Lawyers Trust Account and were only to be used for legal expenses. Instead, Suverkrubbe and Hixson converted these funds to their own personal use. In order to conceal the conversion of client funds, Suverkrubbe and Hixson caused fraudulent bank statements to be sent to the clients showing that the funds were still on deposit. Suverkrubbe and Hixson are charged with obtaining over \$400,000 from this part of their fraudulent scheme.

Second, the indictment charges Suverkrubbe and Hixson with obtaining the credit card numbers of former xélan clients and using those numbers to bill credit card companies for charges that were not authorized by the clients.

Third, the indictment charges Suverkrubbe and Hixson with defrauding Union Bank of California by depositing a stolen and altered check into a bank account created in a fictitious business name. As further charged in the indictment, Suverkrubbe and Hixson then used the Union Bank account to write checks to pay the mortgage on Suverkrubbe’s personal residence and the office rent for Suverkrubbe’s law firm.

Fourth, the indictment charges Suverkrubbe and Hixson with defrauding Wells Fargo Bank by depositing over \$200,000 in checks drawn on Suverkrubbe’s law firm account into Hixson’s personal bank account knowing that there were insufficient funds in the law firm account to cover the checks. These funds were then used for Suverkrubbe and Hixson’s personal benefit.

United States Attorney Lam said, "When an attorney steals from his own clients, he not only breaks the law, but he violates one of the sacred tenets of the legal profession."

"Today's arrest demonstrates the FBI's commitment to addressing all aspects of White Collar Crime," commented FBI Special Agent in Charge Daniel R. Dzwilewski. "What makes today's arrest especially troubling, however, is the arrest of a former law enforcement officer."

U.S. Postal Inspection Service Acting Inspector in Charge, Robert Malaby said, "The United States Postal Inspection Service prides itself on a legacy of protecting the American public from fraud schemes perpetrated through the U.S. Mail. With this investigation it is our intent to send a clear message to those who use or consider using the Postal Service to commit fraud. If you choose to defraud the American public, the Postal Inspection Service will find you and bring you to justice."

Internal Revenue Service-Criminal Investigation Acting Special Agent in Charge of the San Diego Field Division, Ronald Krajewski said, "The Indictment alleges that Mr. Suverkrubbe, a licensed practicing attorney, and Ms. Hixson were involved in a scheme to defraud clients and financial institutions and used the proceeds of this scheme for their own personal financial benefit. Internal Revenue Service Criminal Investigation Special Agents work in concert with other federal law enforcement agencies and continue to utilize their financial expertise to unravel complex financial and money laundering schemes."

This case is the result of an investigation by the Federal Bureau of Investigation-San Diego Division, the Internal Revenue Service-Criminal Investigation, and the United States Postal Inspection Service.

DEFENDANTS

Case Number: 06-CR-1262-W

Michael Robert Suverkrubbe

Wendy Lee Hixson

SUMMARY OF CHARGES

- Count 1: Conspiracy (18 U.S.C. § 371): Maximum punishment of 5 years' imprisonment, a fine of \$250,000, and three years supervised release.
- Counts 2-4: Mail Fraud (18 U.S.C. § 1341): Maximum punishment of 20 years' imprisonment, a fine of \$250,000, and three years supervised release.

Counts 5-9: Wire Fraud (18 U.S.C. § 1343): Maximum punishment of 20 years' imprisonment, a fine of \$250,00, and three years supervised release.

Counts 10-11: Bank Fraud (18 U.S.C. § 1344): Maximum punishment of 20 years' imprisonment, a fine of \$250,000 and three years supervised release.

Count 12: Credit Card Fraud (18 U.S.C. § 1029(a)(5): Maximum punishment of 15 years' imprisonment, a fine of \$250,000 and three years supervised release.

Counts 13-16: Money Laundering (18 U.S.C. § 1956): Maximum punishment of 30 years' imprisonment, a fine of \$250,000, and three years supervised release.

Counts 17-23: Money Laundering (18 U.S.C. § 1957): Maximum punishment of 10 years' imprisonment, a fine of \$250,000, and three years supervised release.

AGENCIES

Federal Bureau of Investigation
United States Postal Inspection Service
Internal Revenue Service - Criminal Investigation

An indictment is not evidence that the defendants committed the crimes charged. The defendants are presumed innocent until the Government meets its burden in court of proving guilt beyond a reasonable doubt.